

**BEFORE THE TENNESSEE REGULATORY AUTHORITY AT
NASHVILLE, TENNESSEE**

January 15, 2004

IN RE:)	
)	
APPLICATION OF CABLE & WIRELESS PLC)	DOCKET NO.
AND CABLE & WIRELESS USA, INC. FOR)	03-00627
APPROVAL OF DE MINIMUS CHANGE IN)	
CORPORATE STRUCTURE)	

ORDER APPROVING TRANSFER OF AUTHORITY

This matter came before Chairman Deborah Taylor Tate, Director Pat Miller, and Director Sara Kyle of the Tennessee Regulatory Authority (the "TRA" or "Authority"), the voting panel assigned to this docket, at a regularly scheduled Authority Conference held on December 15, 2003 for consideration of the Application of Cable and Wireless plc ("CW") and Cable and Wireless USA, Inc. ("CWUSA") for TRA approval of a transfer of authority to provide telecommunications services required under Tenn. Code Ann. § 65-4-113.

Tenn. Code Ann. § 65-4-113

Tenn. Code Ann. § 65-4-113 requires a public utility to obtain TRA approval to transfer its authority to provide utility services (also known as a "certificate of public convenience and necessity" or "CCN"). Tenn. Code Ann. § 65-4-113(a) reads as follows:

No public utility, as defined in § 65-4-101, shall transfer all or any part of its authority to provide utility services, derived from its certificate of public convenience and necessity issued by the authority, to any

individual, partnership, corporation or other entity without first obtaining the approval of the authority.

Tenn. Code Ann. § 65-4-113(b) provides the standards by which the TRA shall consider an application for transfer of authority, in pertinent part, as follows:

Upon petition for approval of the transfer of authority to provide utility services, the authority shall take into consideration all relevant factors, including, but not limited to, the suitability, the financial responsibility, and capability of the proposed transferee to perform efficiently the utility services to be transferred and the benefit to the consuming public to be gained from the transfer. . . .

The Application

In the Application, which was filed with the TRA on December 9, 2003, CWUSA and CW, the ultimate parent company of CWUSA, outline a transaction in which Sable Holdings Ltd. ("Sable") will become a new subsidiary of CW. As a result of the transaction, Sable will become a new parent company of CWUSA, but ultimate ownership of CWUSA and Sable will remain with CW, which will also retain ultimate ownership of CWUSA's Tennessee CCN. CWUSA will continue to be the direct holder of its own CCN and will still be the actual provider of telecommunications services; however, because the transaction will result in a *pro forma* transfer of CWUSA's CCN granted by the Tennessee Public Service Commission on November 10, 1995 in Docket No. 95-03359, the Parties are seeking TRA approval. According to the Application, the transaction should be seamless to the customers of CWUSA as there will be no change in the services provided.

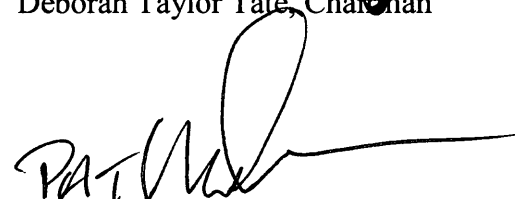
The December 15, 2003 Authority Conference

At the December 15, 2003 Authority Conference, the Directors voted unanimously to approve the Application.

IT IS THEREFORE ORDERED THAT:

The proposed *pro forma* transfer of CWUSA's Tennessee CCN as described in the Application and discussed herein is approved.


Deborah Taylor Tate, Chairman


Pat Miller, Director


Sara Kyle, Director